

BANK INDONESIA

BANK INDONESIA REGULATION

NUMBER 1/1/PBI/1999

CONCERNING

**FUNDING FACILITIES FOR RESOLVING SHORT TERM FUNDING
DIFFICULTIES FOR COMMERCIAL BANKS**

THE GOVERNOR OF BANK INDONESIA,

Considering:

- a. whereas during the course of their business, banks face short-term funding risks arising mismatch between inflow and outflow of funds;
- b. whereas to resolve short term funding difficulties, Bank Indonesia in its capacity as lender of last resort may extend credit to Commercial Banks;
- c. now therefore it is deemed necessary to formulate provisions concerning funding facilities for resolving short term funding difficulties for Commercial Banks in a Bank Indonesia Regulation;

In view of:

1. Act Number 7 of 1992 concerning Banking (State Gazette Number 31 of 1992, Supplement to the State Gazette Number 3472) as amended by Act Number 10 of 1998 (State Gazette Number 182 of 1998, Supplement to the State Gazette Number 3790);
2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette Number 66 of 1999, Supplement to the State Gazette Number 3843);

HAS DECREED:

HAS DECREED:

To enact:

**THE BANK INDONESIA REGULATION CONCERNING
FUNDING FACILITIES FOR RESOLVING SHORT TERM
FUNDING DIFFICULTIES FOR COMMERCIAL BANKS.**

CHAPTER I

GENERAL PROVISIONS

Article 1

The terminology used in this Bank Indonesia Regulation has the following meanings:

1. Bank is a Commercial Bank as defined in Act Number 7 of 1992 concerning Banking, as amended by Act Number 10 of 1998, which conducts conventional banking operations;
2. Short Term Funding Difficulties are conditions sustained by a Bank as a result of mismatch between inflow and outflow of funds that may bring about a temporary Negative Demand Deposit Balance;
3. Negative Demand Deposit Balance is the balance of a rupiah demand deposit account of a Bank at Bank Indonesia showing a negative figure;
4. Credit Facility is the provision of a ceiling of funding from Bank Indonesia to a Bank, which may be used only for resolving Short Term Funding Difficulties;
5. Drawing of Credit is the drawing of funds against a Credit Facility;
6. Bank Indonesia Certificates, hereinafter referred to as SBIs, are bearer securities in rupiahs issued by Bank Indonesia in recognition of short term debt, applying the discount system;
7. Repurchase Agreement, hereinafter referred to as Repo, is a sale and purchase transaction of securities requiring the seller to repurchase the securities at a contracted forward date;
8. Outright is a sale and purchase transaction of securities before the securities have reached maturity;

9. Government Debt Instruments are negotiable debt instruments issued by the Government;
10. Interbank Money Market, hereinafter referred to as PUAB, is the lending and borrowing of funds between 1 (one) Bank and other Banks;
11. Interbank Rate is the interest rate formed on the PUAB during 1 (one) working day prior to Drawing of Credit or transaction for sale of SBIs under Repo or Outright, recorded at the Money Market Information Center;
12. Money Market Information Center, hereinafter referred to as PIPU, is an automated system for providing money market information under regulation by Bank Indonesia.

Article 2

- (1) A Bank experiencing Short Term Funding Difficulties may obtain funding facilities from Bank Indonesia in the form of:
 - a. Sale of SBIs under repo; and/or
 - b. Sale of SBIs outright; and/or
 - c. Drawing of Credit;in compliance with the requirements and procedures stipulated in this Bank Indonesia Regulation.
- (2) A Bank experiencing Short Term Funding Difficulties and holding SBIs shall first avail itself of the facilities referred to in paragraph (1) letter a and letter b.

CHAPTER II

REQUIREMENTS AND PROCEDURE FOR SALE OF SBIs UNDER REPO AND OUTRIGHT

Article 3

- (1) A Bank may sell SBIs prior to maturity under Repo to Bank Indonesia, subject to the following provisions:
 - a. The term of the Repo is 1 (one) day (overnight) to 90 (ninety) days;
 - b. Upon ...

- b. Upon maturity of Repo, the SBI concerned shall have a remaining maturity of not less than 3 (three) days;
- c. The discount rate shall be determined as follows:
 - 1) Repo for a term of 1 (one) day shall apply the weighted average 1 (one) day PUAB rate plus 400 (four hundred) basis points;
 - 2) Repo for a term of 2 (two) days until 45 (forty five) days shall apply the weighted average 1 (one) month PUAB rate recorded in the latest SBI auction, plus 400 (four hundred) basis points;
 - 3) Repo for a term of 46 (forty six) days until 90 (ninety) days shall apply the weighted average 3 (three) months PUAB rate recorded in the latest SBI auction, plus 400 (four hundred) basis points.
- (2) Bank Indonesia may amend the additional discount as referred to in paragraph (1) letter c in a Circular Letter of Bank Indonesia.

Article 4

- (1) A Bank may sell SBIs Outright to Bank Indonesia subject to the following provisions:
 - a. The remaining term of the SBIs is 1 (one) day until 90 (ninety) days;
 - b. The discount rate shall be determined as follows:
 - 1) The discount rate for SBIs with a remaining term of 1 (one) day shall apply the weighted average 1 (one) day PUAB rate plus 400 (four hundred) basis points;
 - 2) The discount rate for SBIs with a remaining term of 2 (two) days until 45 (forty five) days shall apply the weighted average 1 (one) month PUAB rate recorded in the latest SBI auction, plus 400 (four hundred) basis points;
 - 3) The discount rate for SBIs with a remaining term of 46 (forty six) days until 90 (ninety) days shall apply the weighted average 3 (three) month PUAB rate recorded in the latest SBI auction, plus 400 (four hundred) basis points.
- (2) Bank Indonesia may amend the additional discount as referred to in paragraph (1) letter b in a Circular Letter of Bank Indonesia.

Article 5

Article 5

- (1) Sale of SBIs under Repo to Bank Indonesia may not exceed 90 (ninety) days for each transaction.
- (2) Sale of SBIs Outright to Bank Indonesia may not be undertaken in respect of SBIs with a remaining term of more than 90 (ninety) days.
- (3) Sale of SBIs under Repo or Outright to Bank Indonesia shall only be permitted for SBIs under the ownership of the Bank concerned.

Article 6

- (1) Banks may conduct sale of SBIs under Repo or Outright in accordance with the schedule stipulated by Bank Indonesia.
- (2) Settlement of transactions shall take place on a same-day settlement basis through bookkeeping transfer by crediting the demand deposit account of the Bank at Bank Indonesia.
- (3) The Bank shall deliver the SBIs or SBI Depository Receipts (BDS-SBIs) to Bank Indonesia not later than 15.00 hours local time.
- (4) Bank Indonesia may amend the deadline for delivery of SBIs or SBI Depository Receipts (BDS-SBIs) as referred to in paragraph (3) in a Circular Letter of Bank Indonesia.

CHAPTER III

REQUIREMENTS AND PROCEDURE FOR OBTAINING A CREDIT
FACILITY AND DRAWING OF CREDIT

Article 7

A Bank may only conduct a Drawing of Credit if it has already obtained a Credit Facility.

Article 8

- (1) A Bank may only obtain a Credit Facility as referred to in Article 7 by submitting an application in writing to Bank Indonesia according to the sample in ...

sample in Appendix 3 and signing an agreement for provision of the Credit Facility and placing collateral at the disposal of Bank Indonesia.

- (2) The application to Bank Indonesia for provision of a Credit Facility shall be made by the Board of Directors of the Bank.
- (3) The Credit Facility that may be provided by Bank Indonesia is equal to the cash value of collateral placed by the Bank at the disposal of Bank Indonesia.
- (4) An agreement for provision of a Credit Facility shall become effective after the binding of the required collateral.
- (5) The amount of a Credit Facility may be adjusted at any time according to the cash value of the collateral placed at the disposal of Bank Indonesia.

Article 9

- (1) Collateral as referred to in Article 8 paragraph (1) shall comprise Government Debt Instruments and/or other securities under ownership of the Bank as stipulated by Bank Indonesia.
- (2) Other securities as referred to in paragraph (1) shall be rated among the top 3 (three) ratings according to the ratings issued by a competent rating agency.

Article 10

- (1) A Bank shall replace collateral as referred to in Article 9 that is approaching maturity not later than the date of maturity of the collateral.
- (2) In the event that the Bank does not replace the securities referred to in paragraph (1):
 - a. if the amount of collateral prior to maturity is greater than the Drawing of Credit, the Credit Facility shall be subtracted by the value of the matured collateral; or
 - b. if the amount collateral prior to maturity is less than the Drawing of Credit, Bank Indonesia shall debit the demand deposit account of the Bank concerned with Bank Indonesia on the same day in the amount of the matured collateral.

Article 11

Article 11

- (1) A Bank may only undertake Drawing of Credit if it has satisfied the required rating during the last 3 (three) consecutive months as at least fairly sound.
- (2) A Bank may submit an application for Drawing of Credit in the maximum amount of the estimated Negative Demand Deposit Balance and not in excess of the unused Credit Facility.
- (3) Bank Indonesia may amend the rating requirement referred to in paragraph (1) in a Circular Letter of Bank Indonesia.

Article 12

- (1) The term of Drawing of Credit, including any extension thereto, shall be not more than 90 (ninety) days.
- (2) Drawing of Credit may be provided more than 1 (one) time in 1 (one) year, subject to the provision that the overall term of Drawing of Credit does not exceed 90 (ninety) days.

Article 13

- (1) Drawing of Credit shall be charged interest of 125% (one hundred and twenty five percent) of the weighted average discount rate for auctioned SBIs and the weighted average PUAB rate for the same term as the term of Drawing of Credit.
- (2) If applying the latest weighted average discount rate for SBIs sold under auction, the following provisions shall apply:
 - a. Drawing of Credit for a term of 1 (one) day to 45 (forty five) days shall be charged the weighted average 1 (one) month discount rate for SBIs sold under auction;
 - b. Drawing of Credit for a term of 46 (forty six) days to 90 (ninety) days shall be charged the weighted average 3 (three) month discount rate for SBIs sold under auction.
- (3) If applying the weighted average PUAB rate, the following provisions shall apply:
 - a. Drawing of Credit for a term of 1 (one) day to 3 (three) days shall be charged the weighted average 1 (one) day Interbank Rate;

b. Drawing of ...

- b. Drawing of Credit for a term of 4 (four) days to 9 (nine) days shall be charged the weighted average 7 (seven) day Interbank Rate;
 - c. Drawing of Credit for a term of 10 (ten) days to 50 (fifty) days shall be charged the weighted average 1 (one) month Interbank Rate;
 - d. Drawing of Credit for a term of 51 (fifty one) days to 90 (ninety) days shall be charged the weighted average 3 (three) months Interbank Rate.
- (4) Bank Indonesia may amend the percentage of interest charged as referred to in paragraph (1) in a Circular Letter of Bank Indonesia.

CHAPTER IV

REPAYMENT

Article 14

- (1) Upon maturity of Repo, Bank Indonesia shall debit the demand deposit account of the Bank concerned at Bank Indonesia at end of day on the maturity date.
- (2) Repayment of matured Drawing of Credit shall take place by debiting the demand deposit account of the Bank concerned at Bank Indonesia at end of day on the maturity date of the Drawing of Credit.
- (3) In the event that the debiting as referred to in paragraph (1) and paragraph (2) results in a negative balance of the demand deposit account of the Bank concerned at Bank Indonesia, the provisions set forth in Article 16 shall apply.

CHAPTER V

REPORTING AND SUPERVISION

Article 15

- (1) Any Bank having undertaken Drawing of Credit shall deliver weekly reports to Bank Indonesia on specific accounting items and transactions, including the appropriation of the Drawing of Credit.

(2) Bank Indonesia.

- (2) Bank Indonesia may conduct special examination of a Bank that has undertaken Drawing of Credit.

CHAPTER VI
SANCTIONS

Article 16

- (1) A Bank shall be suspended from clearing in the event that a Negative Demand Deposit Balance of a Bank at Bank Indonesia cannot be closed by one of the following deadlines, whichever is earlier:
- a. 60 (sixty) minutes after opening of the Bank Indonesia cashier counter on the following working day; or
 - b. 30 (thirty) minutes prior to closure of the following clearing for delivery.
- (2) If the Negative Demand Deposit Balance is recorded in the demand deposit account of the head office of the Bank, suspension from clearing shall also become effective for all branch offices of the Bank.
- (3) If the Negative Demand Deposit Balance is recorded in the demand deposit account of a branch office of the Bank, suspension from clearing shall be effective only for the branch office concerned.
- (4) In respect of any Negative Demand Deposit Balance that may be recorded, sanctions shall be imposed in the form of a financial penalty of 150% (one hundred and fifty percent) of the weighted average PUAB Rate for 1 (one) day, recorded on the PIPU.
- (5) Bank Indonesia may amend the interest rate percentage as referred to in paragraph (4) in a Circular Letter of Bank Indonesia.

CHAPTER VII
TRANSITIONAL PROVISIONS

Article 17

Any credit or similar facility provided by Bank Indonesia and which has not reached maturity by the date of enactment of this Bank Indonesia Regulation

shall remain ...

shall remain subject to the requirements and procedures governing such facility until the date of maturity.

Article 18

- (1) During the effective period of the Government guarantee as referred to in Presidential Decree Number 26 of 1998 dated January 26, 1998, concerning Guarantee of Payment Obligations of Commercial Banks, the Bank may put up collateral in addition to the collateral referred to in Article 9 to obtain a Credit Facility insofar as the Bank participates in the Government guarantee program and the Drawing of Credit is appropriated for the settlement of claims not excluded from the Government guarantee program.
- (2) The rating requirement referred to in Article 11 paragraph (1) shall come into force on January 1, 2001.

CHAPTER VIII
CONCLUDING PROVISIONS

Article 19

With the enactment of this Bank Indonesia Regulation, Circular Letter of the Board of Managing Directors of Bank Indonesia Number 31/53/KEP/DIR dated July 1, 1998, concerning the Discount Window, Violation of the Statutory Reserve in Rupiahs and Negative Demand Deposit Balance at Bank Indonesia, insofar as they pertain to the Discount Window and Violation Pertaining to Negative Demand Deposit Balance are declared no longer valid.

Article 20

This Bank Indonesia Regulation shall come into force on the date of its enactment.

Enacted ...

BANK INDONESIA

- 11 -

Enacted in Jakarta,

Date: May 18, 1999

THE GOVERNOR OF BANK INDONESIA

(signed)

SYAHRIL SABIRIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 100 OF 1999
UOPM/UPPB

BANK INDONESIA

ELUCIDATION

TO

BANK INDONESIA REGULATION

NUMBER 1/1/PBI/1999

CONCERNING

**FUNDING FACILITIES FOR RESOLVING SHORT TERM
FUNDING DIFFICULTIES FOR COMMERCIAL BANKS**

I. GENERAL REVIEW

During the course of their business, banks face liquidity risk arising from short-term difficulties in funding which if not quickly resolved may lead to greater, structural problems (solvency risk). Short term funding difficulties for Banks are caused by mismatch between the inflow and outflow of funds. Such short term funding difficulties may result in a negative balance for the demand deposit of the Bank at Bank Indonesia.

To resolve short term funding difficulties, in principle a Bank must first raise funds on the money market using the various available money market instruments. In the event that a Bank fails to raise funds on the money market, Bank Indonesia in its function as central bank may assist banks in resolving such short term funding difficulties.

Pursuant to Act Number 23 of 1999 concerning Bank Indonesia, Bank Indonesia in its function of lender of last resort may extend credit to Banks to resolve short term funding difficulties, subject to the provision that the Bank concerned must have high quality collateral easily convertible to cash. Accordingly, Bank Indonesia provides Banks with funding facilities to resolve short term funding difficulties for the purpose of safeguarding the continuity of Bank operations and unimpeded operation of the payments system.

The funding ...

The funding facilities provided by Bank Indonesia encompass sale of SBIs under Repo and/or Outright and the provision of a Credit Facility against collateral in the form of Government Debt Instruments and/or high-rated securities according to ratings determined by a competent rating agency.

In essence, any Bank having collateral that meets requirements may obtain a Credit Facility from Bank Indonesia. Nevertheless, if a Bank undergoing short term funding difficulties has SBIs at its disposal, the Bank shall first sell the SBIs under Repo or Outright in order to cover the shortfall in funds before it may use a Credit Facility.

Credit Facilities from Bank Indonesia are provided subject to prudential principles, including but not limited to the rating of the Bank and limitations on the term for use of the Credit Facility with the objective that Banks will no longer be dependent upon funding from Bank Indonesia. Furthermore, security has been tightened in respect of facilities provided by Bank Indonesia in keeping with the spirit of the lending provisions set forth in Act Number 23 of 1999 concerning Bank Indonesia.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Paragraph (1)

Self-explanatory.

Paragraph (2)

Given that a funding facility from Bank Indonesia is provided within the framework of the Bank Indonesia function of lender of last resort, a Bank experiencing Short Term Funding Difficulties shall seek funds from the PUAB or other sources to cover such difficulties before obtaining a funding facility comprising sale of SBIs under Repo and/or Outright.

Furthermore, ...

Furthermore, only in the event that difficulties cannot be resolved through the sale of SBIs under Repo or Outright, whether because the Bank does not have sufficient SBIs or has no SBIs altogether, a Bank may undertake Drawing of Credit.

Article 3

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 4

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 5

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 6

Paragraph (1) and paragraph (2)

Sale of SBIs under Repo and/or Outright shall take place by submission of application for sale to Bank Indonesia through the Reuters Monitoring Dealing System (RMDS) or by telephone, facsimile, telex, or other means as stipulated by Bank Indonesia, addressed to:

a. Money Market ...

- a. Money Market Operations Section, Monetary Operations and Management Department, Bank Indonesia, Jl. M.H. Thamrin No. 2, Jakarta, for a Bank having its head office in the Jakarta-Bogor-Tangerang-Bekasi area;
- b. Money Market Operations Section, Monetary Operations and Management Department, Bank Indonesia, Jl. M.H. Thamrin No. 2, Jakarta, through the local Bank Indonesia office, for a Bank having its head office outside the Jakarta-Bogor-Tangerang-Bekasi area.

The application shall then be confirmed by a letter of sale of SBIs under Repo and/or Outright according to the example in Appendix 1 and Appendix 2, each with a copy to the relevant Department of Bank Supervision.

- a. from 08.00 Jakarta Time to 14.00 hours Jakarta Time, for the Jakarta-Bogor-Tangerang-Bekasi area;
- b. from 08.00 to 15.00 hours local time, for regions outside the Jakarta-Bogor-Tangerang-Bekasi area.

Proceeds of sale of SBIs under Repo and/or Outright shall be entered by bookkeeping entry into the demand deposit account of the Bank after Bank Indonesia has received a Letter of Application for Sale of SBIs under Repo and/or Outright and delivery of the SBIs and/or BDS-SBIs thus sold.

Paragraph (3)

The SBIs and/or BDS-SBIs shall be delivered to:

- a. Money Market Operations Section, Monetary Operations and Management Department, Bank Indonesia, Jl. M.H. Thamrin No. 2, Jakarta, for a Bank having its head office in the Jakarta-Bogor-Tangerang-Bekasi area;
- b. Money Market Operations Section, Monetary Operations and Management Department, Bank Indonesia, Jl. M.H. Thamrin No. 2, Jakarta, through the local Bank Indonesia office, for a Bank having its head office outside the Jakarta-Bogor-Tangerang-Bekasi area.

Paragraph (4) ...

Paragraph (4)

Self-explanatory.

Article 7

Self-explanatory.

Article 8

Paragraph (1) and paragraph (2)

The letter of application for provision of a Credit Facility shall be submitted to Bank Indonesia in accordance with the example in Appendix 3 and delivered to:

- a. Monetary Operations and Management Department, Bank Indonesia, Jl. M.H. Thamrin No. 2, Jakarta, for a bank having its head office in the Jakarta-Bogor-Tangerang-Bekasi area;
- b. Monetary Operations and Management Department, Bank Indonesia, Jl. M.H. Thamrin No. 2, Jakarta, through the local Bank Indonesia office, for a bank having its head office outside the Jakarta-Bogor-Tangerang-Bekasi area;

each with a copy to the relevant Department of Bank Supervision.

Paragraph (3)

Cash value of collateral is defined as the real value of collateral based on market prices formed on the date of approval of the Credit Facility.

This cash value of collateral may be adjusted at any time by Bank Indonesia, in particular at 7 (seven) days prior to maturity of the securities secured as collateral, upon Drawing of Credit, and/or upon maturity of Drawing of Credit.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Paragraph (5)

Adjustment of the amount of the Credit Facility to the available collateral shall be followed by amendment to the records of the Credit Facility and amendment of the collateral agreement concerned.

Article 9

Paragraph (1)

Stipulation of other securities that may be put up as collateral shall be set forth in a Circular Letter of Bank Indonesia.

Paragraph (2)

Competent rating agency in this paragraph is defined as including but not limited to PT. Pefindo.

In the event that collateral placed at the disposal of Bank Indonesia consists of Government Bonds originating from the bank recapitalization program, the Government Bonds must be trading bonds.

Article 10

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Upon maturity, collateral may be withdrawn by the Bank and the Credit Facility for the Bank concerned shall be reduced by the value of the collateral thus withdrawn.

Letter b

Self-explanatory.

Article 11...

Article 11

Paragraph (1)

This provision is intended to reinforce the principle that a Credit Facility from Bank Indonesia may only be used for resolving short term funding difficulties and not for resolving structural difficulties, such as problems with capital. Accordingly, a Bank undertaking Drawing of Credit is required to comply with the rating requirement.

Paragraph (2)

The estimated Negative Demand Deposit Balance shall among others be based on the clearing results on the day concerned.

Paragraph (3)

Self-explanatory.

Article 12

The period of 90 (ninety) days is defined as 90 (ninety) calendar days.

Paragraph (1)

Self-explanatory.

Paragraph (2)

The total term of 90 (ninety) days in this paragraph is the cumulative sum of all terms of Drawing of Credit, whether repaid or not yet repaid, during 1 (one) year.

The period of 1 (one) year is defined as 1 (one) calendar year. For the year 1999, the year ends on December 31, 1999, and for each year thereafter commences on January 1 and ends on December 31.

Article 13

Paragraph (1)

Self-explanatory.

Paragraph (2)...

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 14

Paragraph (1) and paragraph (2)

Debiting of the demand deposit account of a Bank by Bank Indonesia shall take place after 14.00 hours local time.

If the Credit matures on a Saturday, Sunday, or public holiday, the debiting of the demand deposit account of the Bank at Bank Indonesia shall take place at the beginning of the following working day.

Paragraph (3)

Self-explanatory.

Article 15

Paragraph (1)

Reports shall be delivered on the 7th, 15th, and 23rd days and the end of the month to:

- a. the relevant Bank Supervision Department, for a bank having its head office in the Jakarta-Bogor-Tangerang-Bekasi area;
- b. the relevant Bank Supervision Department through the local Bank Indonesia office, for a bank having its head office outside the Jakarta-Bogor-Tangerang-Bekasi area;

according to the sample in Appendix 4.

Paragraph (2)

Self-explanatory.

Article 16

Article 16

Paragraph (1)

Letter a

Self-explanatory.

Letter b

The following clearing for delivery is defined as the clearing for delivery taking place after the bookkeeping entry of the previous clearing results.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

The interest payment penalty in this paragraph shall only be imposed on a Bank if the Negative Balance position extends past the closing time of the Bank Indonesia accounting system.

Calculation of interest on a Negative Demand Deposit Balance shall be based on the product of the amount of the negative balance of the demand deposit account of the Bank at Bank Indonesia and the weighted 1 (one) day PUAB Rate recorded on the PIPU according to the following formula:

$$\frac{\text{Negative Demand Deposit Balance} \times 150\% \times \text{weighted average 1 day PUAB Rate recorded on the PIPU} \times \text{number of days}}{360 \times 100}$$

Paragraph (5)

Self-explanatory.

Article 17

Self-explanatory.

Article 18...

Article 18

Paragraph (1)

Self-explanatory.

Paragraph (2)

On January 1, 2001, it is expected that the rating of banks will have undergone general improvement.

Article 19

Self-explanatory.

Article 20

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF
INDONESIA NUMBER 3853

UPPB/UOPM

Appendix 1

To: *)

Bank Indonesia
c.q. Money Market Operations Section
Monetary Operations and Management Department
Jl. M.H. Thamrin No. 2
Jakarta 10110

Subject: Sale of SBIs under Repo

In reference to Bank Indonesia Regulation Number 1/1/PBI/1999 dated May 18, 1999, we herewith submit an application for sale of SBIs under Repo as follows:

Date of sale under Repo :
Term of Repo :
Maturity Date of Repo :

Name of Bank	Account Number at Bank Indonesia	Amount of Sale (Rp millions)	Number of SBIs or BDS-SBIs
Total Sale			

For the duration of the sale under Repo, the SBIs or BDS-SBIs shall be placed at the disposal of and constitute the property of Bank Indonesia.

....., (place, date)

Board of Directors
(Name of Bank

(signed)
Revenue Stamp

cc: Relevant Department of Bank Supervision, Bank Indonesia.

Appendix 2

To: *)

Bank Indonesia
c.q. Money Market Operations Section
Monetary Operations and Management Department
Jl. M.H. Thamrin No. 2
Jakarta 10110

Subject: Sale of SBIs Outright

In reference to Bank Indonesia Regulation Number 1/1/PBI/1999 dated May 18, 1999, we herewith submit an application for sale of SBIs Outright as follows:

Date of Outright Sale :
Term of Outright Sale :
Maturity Date of Outright Sale :

Name of Bank	Account Number at Bank Indonesia	Amount of Sale (Rp millions)	Number of SBIs or BDS-SBIs
Total Sale			

In regard to the Outright sale, the SBIs or BDS-SBIs shall be placed at the disposal of and constitute the property of Bank Indonesia.

....., (place, date)

Board of Directors
(Name of Bank

(signed)
Revenue Stamp

cc: Relevant Department of Bank Supervision, Bank Indonesia.

Appendix 3

To: *)

Bank Indonesia
c.q. Monetary Operations and Management Department
Jl. M.H. Thamrin No. 2
Jakarta 10110

Subject: Application for Credit Facility in Rupiahs

In reference to Bank Indonesia Regulation Number 1/1/PBI/1999 dated May 18, 1999, we herewith submit an application for a Credit Facility in the amount of Rp (.....) for a term of In this regard, we also submit a plan for appropriation of the Credit Facility (attached) and the securities put up as collateral, comprising the following:

No.	Type	Value	Rating	Maturity Date

We submit the above as true and factual data. If at any time in the future the above data is proved to be false, we are prepared to assume liability therefor in accordance with prevailing laws and regulations.

When the securities reach maturity, you are empowered to deduct the Credit Facility extended to our Bank in the amount of the nominal value of the securities concerned.

We express our gratitude for your approval.

....., (place, date)

Duly informed
Board of Commissioners

Board of Directors
(Name of Bank)

(signed)

(signed)
Revenue Stamp

cc: Relevant Directorate of Bank Supervision, Bank Indonesia.

Appendix 4

REPORT ON SPECIFIED ACCOUNTING ITEMS AND TRANSACTIONS AND
APPROPRIATION OF CREDIT FACILITY
For period ending: _____

Bank

NO.	DESCRIPTION	In rupiahs (Rp m.)	In Foreign Currency		TOTAL (4) + (5) (Rp. m.)
			USD (USD 000)	Rp (Rp m.)	
(1)	(2)	(3)	(4)	(5)	(6)
II.	Position at End of Reporting Period				
	A. <u>Assets</u>				
	1. Cash				
	2. Demand deposit at Bank Indonesia				
	3. Credit				
	a. to connected parties				
	b. to non-connected parties				
	4. Securities and other claims				
	5. Interbank Assets				
	B. <u>Liabilities</u>				
	1. Third Party Funds				
	a. Demand deposits				
	b. Time deposits				
	c. Savings deposits				
	2. Other liabilities falling due and payable				
	3. Interbank liabilities				
	a. Call money				
	b. Other				
	4. Bank Indonesia				
	5. Issued securities				
	6. Borrowings				

*) In accordance with weekly reporting period, i.e:

- 1st to the 7th of the month
- 8th to the 15th of the month
- 16th to the 23rd of the month
- 23rd to the end of the month

**) Conversion of

- data on currency of origin to USD is based on the reporting exchange rate
- data on currency of origin to Rp is based on the transaction rate.